

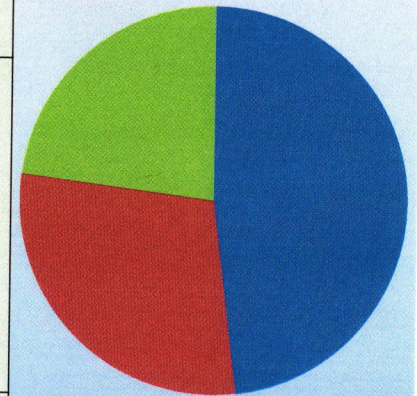
Montana FWP Budget 101:

January 18, 2018

Exhibit 1

A simple-to-understand chart of FWP's complex fish and wildlife management funding.

Program type:	General License Funded Programs	Federally Funded Programs	Statutorily Earmarked Programs
Funding source:	State money from the sale of hunting and fishing licenses that is NOT earmarked to a specific purpose	Federal excise taxes paid by Montanans on purchase of firearms, ammunition, and fishing equipment	Earmarked license \$, vehicle registration, and all other state special revenue funds
Explanation:	These dollars fund the general operation of FWP. By state and federal law, they can only be spent on fish and wildlife management. They also are the primary source of required state match needed to receive federal monies	Montana receives an annual apportionment of this funding. The federal government reimburses FWP for eligible expenditures. FWP must match the federal funds with non-federal funds at a ratio of 3 to 1. General License funding is FWP's primary source of match for federal monies	Programs are earmarked by Montana statute for a special purpose and can only be spent on that purpose
Examples:	<ul style="list-style-type: none"> ^ Game wardens/enforcement ^ Shooting range grants ^ Game damage program ^ Administration of hunting and fishing sales ^ Matching money for federal funds ^ Public information and outreach 	<ul style="list-style-type: none"> ^ Fish and wildlife biologists ^ Fish hatcheries ^ Fish and wildlife population survey and inventory ^ Block management/access ^ Hunter and aquatic education ^ Operations and maintenance of sites 	<ul style="list-style-type: none"> ^ Land acquisition and conservation easements ^ Block management ^ Upland game bird habitat ^ Future fisheries habitat ^ Fishing access site maintenance
Funding amount annually: (FY 18)	\$46.1 million <i>(base budget + capital budget)</i>	\$27.7 million Pittman-Robertson, Dingell-Johnson and State Wildlife Grant funding <i>(base budget + capital budget)</i>	\$22.4 million Over 30 earmarked programs <i>(base budget + capital budget)</i>
% of Fish and Wildlife budget:	48%	29%	23%



- General License funded programs.....48%
- Federally funded programs.....29%
- Statutorily earmarked programs.....23%

House Bill 140 – What did it do?

* Changed Funding Cycle from 10 Years to 4 Years

- New “Base Hunting License” a prerequisite to purchase any hunting license.
- Removal of free licenses and standardizing the discounts for Senior, Youth and Disabled.
- Standardized the age categories for youth 12 years of age or older and under 18 years of age.
- Senior and youth sales. Removing the implied privileges, going to half price on select licenses.
- Certified Disabled licensees will receive ½ price fees on certain licenses based on certification in ALS.
- Increase in fees for:
 - Resident season fishing to \$21
 - Nonresident season fishing to \$86
 - Nonresident two-day fishing to \$25
 - Nonresident ten-day fishing to \$56
 - Nonresident Moose, Sheep, Goat, and Bison license to \$1,250
- Nonresident relative of a resident allowed to purchase nonresident licenses at a reduced cost (Native License) changed from four times the resident cost to ½ the nonresident cost and they can only purchase a big game or deer combo for elk and/or deer hunting.
- License for nonresident to hunt with resident sponsor of family member (Come Home to Hunt) changed from full price to ½ the nonresident cost
- Class B-13 nonresident youth big game combination license changed to ½ price of the nonresident B-10 big game combo.
- Class B-15 nonresident college student big game combination license increased to ½ price of the nonresident B-10 big game combo.
- The Apprentice License was added as portion of HB 140.
- **Fiscal Note for HB 140 FY 2017: \$5,547,284**

2017 Session License Changes

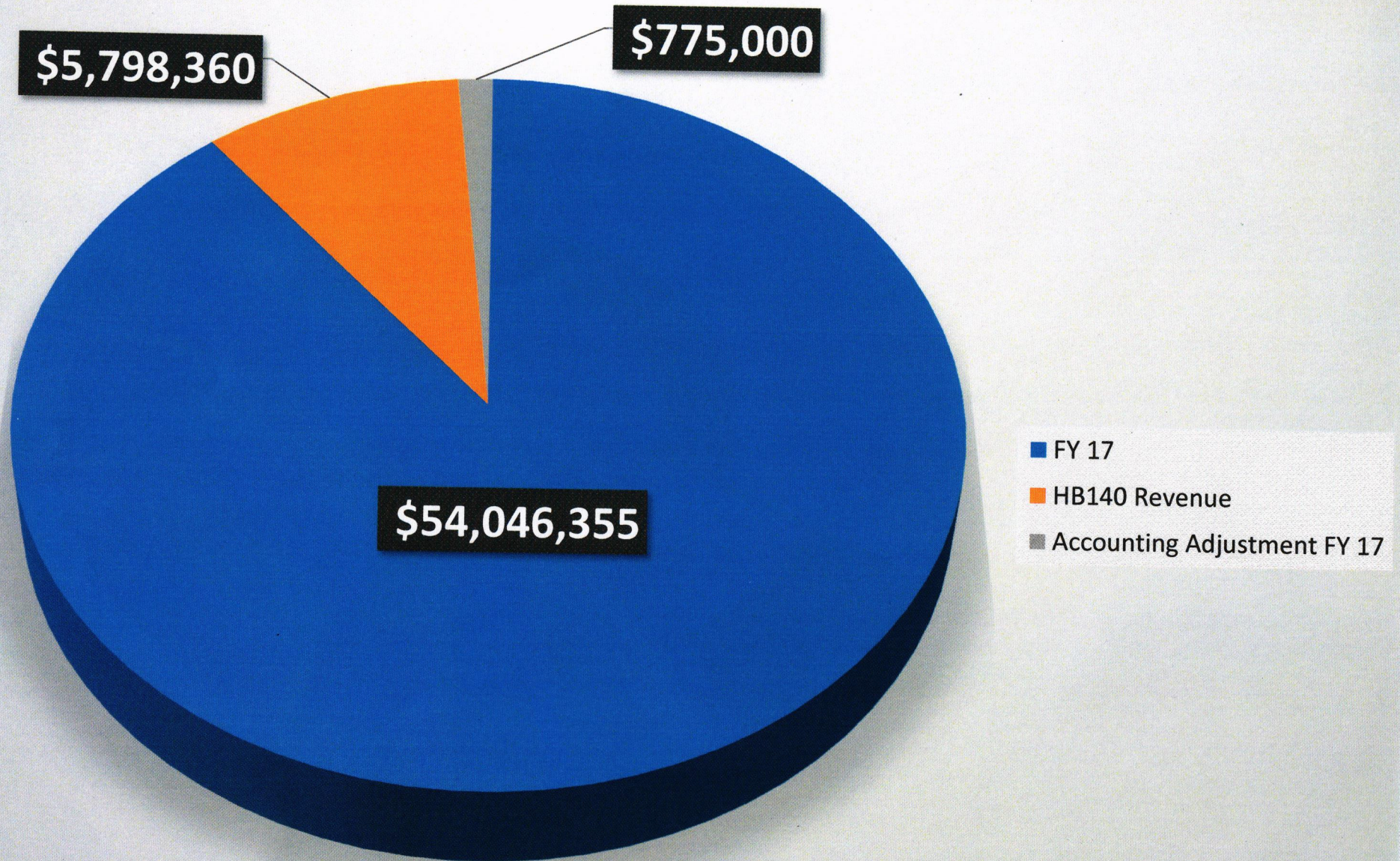
- **HB 623 Allows the purchase of a Bonus Point if the individual did not apply for a license or Bonus Point during the drawings.**
 - Fiscal Note: \$411,523
- **SB 119 Adds additional opportunity to Come Home to Hunt and Nonresident Relative of a resident (Native) applicants the ability to apply for a class B-10 elk only combination license. Allows the Nonresident youth and college students to apply for a class B-10 Elk only combination and a class B-11 Deer combination license in addition to the Class B-10 Big Game Combination license at one half the cost. Allows the Native, Youth and College student to purchase nonresident Deer B license and nonresident Elk B licenses for one half the cost.**
 - Fiscal Note: \$264,442

General License Revenue FY 2016

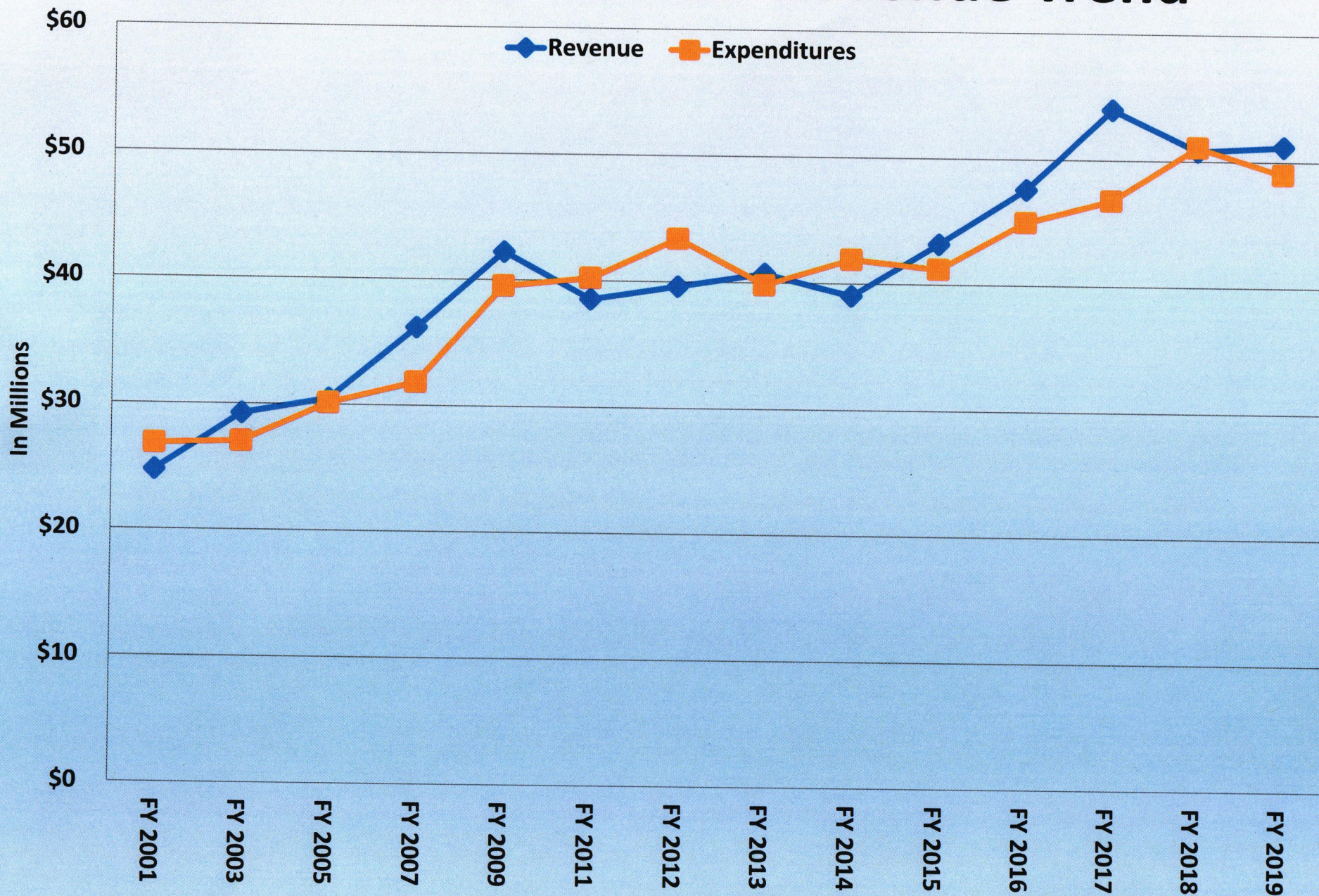


\$47,614,700

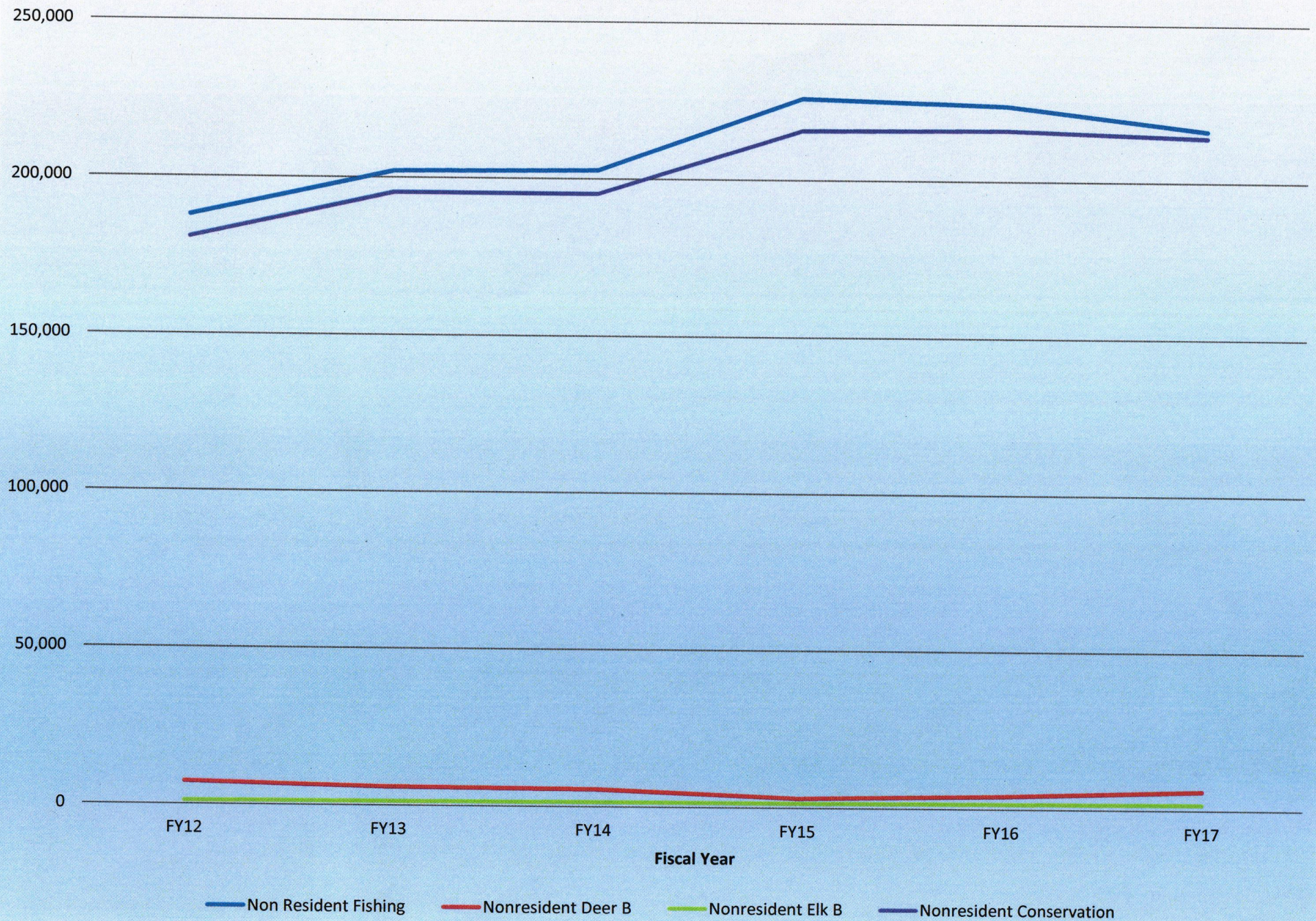
General License Revenue FY 2017



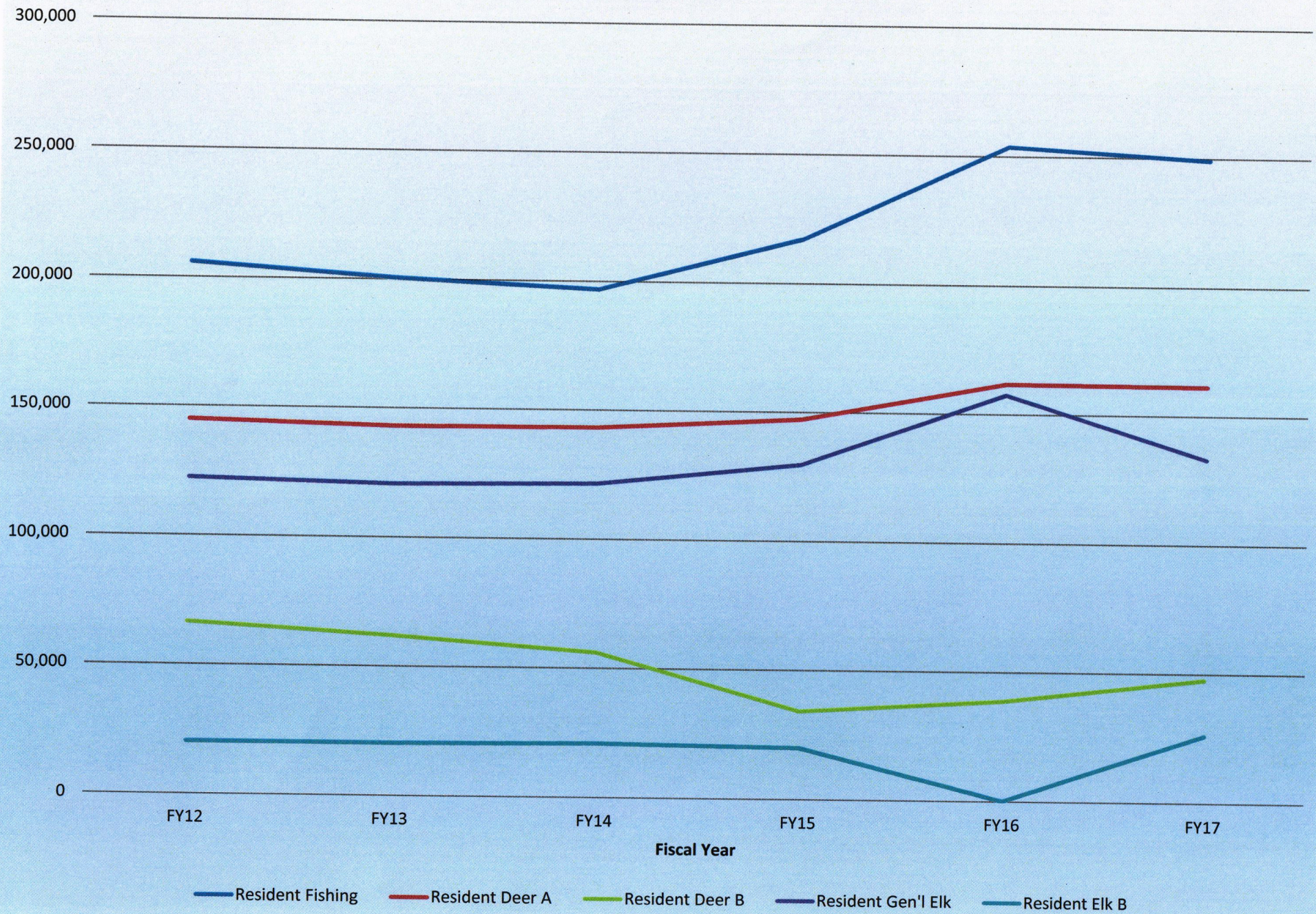
FWP General License Revenue Trend



FWP Non Resident License Trends



FWP Resident License Trends



General License Account Balance Projection Considerations

Known Factors –

- 1) **Fisheries Budget Concerns** – This budget has been reduced by \$875,000 to offset declining federal revenue. While these cuts were necessary for FY18/19, they are not sustainable without resource implications. Additional license dollars will be necessary.
- 2) **Dingell-Johnson Funding** – The trend over the last couple budget cycles has been flat or slowly declining revenue. FWP expects this trend to continue
- 3) **Infrastructure** – FWP has some significant capital needs particularly within the Hatchery system and its administrative facilities around the state. This will require an investment of license dollars.
- 4) **Personal Services Costs** – The cost of employees will continue to rise due to both pay plan and health care cost increases. FWP typically forecasts 3% annually.
- 5) **Limited Sample Size.**

General License Account Balance Projection Considerations

– Cont'd

Unknown Factors –

- 1) **PR Funding** – The only certainty in this funding source is that it will be volatile. FWP has enjoyed very large PR balances over the last several budget cycles, but that is less certain going forward. Additional demands on this funding source (i.e. Enforcement) add to this uncertainty.
- 2) **Law Enforcement Budget** – The division was funded with roughly 30% federal funding during the 2017 legislative session. This represents over \$5 million in General License revenue that was not spent on Enforcement during the current biennium. FWP would like to lower the percentage of federal funds in the enforcement division budget, but this requires legislative approval.
- 3) **Aquatic Invasive Species (AIS)** – The current AIS funding model uses General License revenue to fund 50% of the state share of this program. This revenue is derived from the AIS Prevention Pass. The entire program, including the funding, expires in 2019. Future demands on the license account are unknown.
- 4) **Agency Requests** – FWP has not begun the process of developing proposals for the 2019 legislative session.
- 5) **Legislative Action** – Actions taken by the 2019 legislature could affect the overall health of the General License Account.
- 6) **CWD Impacts.**

Projected Ending FY 2019 Fund Balance

